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TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Mark J. Saladino 
Treasurer and Tax Collector

SUBJECT: **EVALUATION OF WHETHER A LIVE-SCAN REQUIREMENT CAN BE
IMPOSED ON APPLICANTS WHO'S BUSINESSES REGULARLY INTERACT
WITH CHILDREN**

Background

On May 6, 2014, Supervisor Don Knabe introduced a motion which directed the Treasurer and Tax Collector (TTC) and County Counsel to review, investigate, and evaluate whether a Live-Scan requirement can be imposed on applicants whose businesses regularly interact with children, prior to the issuance of a business license.

The report is to include the following elements:

1. A list of businesses whose primary clientele is unsupervised children.
2. An analysis of the revised process, including additional costs and time incurred by the Business License Applicant (Applicant), if a Live-Scan is required.
3. The additional costs and time incurred by the TTC in processing business license applications where an Applicant must satisfy a Live-Scan requirement prior to obtaining a business license.

List and Number of Business Activities

The TTC licenses 160 business activities under Title 7 of the Los Angeles County Code (Code). Of these, there are nine business activities that may regularly interact with unsupervised children:

<u>Title 7 Code</u>	<u>Business Activity</u>	<u>Application Fee</u>	<u>Annual Renewal Fee</u>	<u>Number of Active Licenses</u>
7.25.010	Carnival	\$1,498.00	\$ 120.00	8
7.25.010	Circus	\$1,831.00	*	0
7.90.440	Game Arcade	\$1,777.00	\$ 251.00	22
7.62.030	Peddler	\$ 168.00	\$ 131.00	222**
7.90.560	Pony Ride	\$ 194.00	\$ 131.00	2
7.74.020	Rebound	\$ 529.00	\$ 175.00	0
	Tumbling			
7.25.060	Rides	\$ 318.00	\$ 200.00	5
	Mechanical			
7.30.670	Skating Rink	\$1,419.00	\$ 155.00	1
			Total	260

*A Circus Business License is issued for one day; each additional day costs \$204.00. There is no annual renewal for this business activity.

**Of the 222 licensed Peddlers, 51 are ice cream vendors. The remainder is peddlers of produce/prepared food and food trucks.

The Code defines peddler as a person engaged in the selling of merchandise, including but not limited to, liquids or edibles at any place other than a fixed location. Persons may only peddle liquids or edibles from a vehicle, which meets the definition of a commercial vehicle, or on the grounds of a special event. The Code does not allow peddling of liquids or edibles from non-motorized vehicles or pushcarts.

The Code has requirements that help ensure the safety of the public. For example, Section 7.62.070 of the Code prohibits peddlers from engaging in business within 1,000 feet from any school boundary, either during opening or closing hours or during the noon recess period.

Under 7.62.030 of the Code, the TTC does license peddling at Special Events and these Special Event peddlers are not subject to the same requirements of an applicant applying for a regular license. If Special Event peddlers were to be subject to a Live-Scan requirement, the TTC would have to reconfigure its approach to licensing Special Events. Last year, the TTC licensed seven peddlers for one special event.

Legal Authority

Section 11105(11) of the California Penal Code permits the TTC the authority to access criminal background information to fulfill its licensing duties, provided that the Board of Supervisors authorizes this access. If a change in the County's ordinance is to include the requirement of a Live-Scan for business activities that may regularly interact with unsupervised children, the licensing ordinance must expressly refer to specific criminal conduct that would prevent the issuance of a license (e.g., child abuse, molestation or assault).

Additional Costs and Time for Applicants

The total cost of the Live-Scan ranges from \$45.00 to \$75.00, and would be entirely born by the applicant. The base fee is \$32.00. The additional cost is an operator fee, which varies depending on the processing site. The California Department of Justice (DOJ) regulates Live-Scan processors.

At the time the applicant completes the business license application and pays the license fee, the TTC sends a referral to the Sheriff's Department (Sheriff). The Sheriff is responsible for coordinating with the applicant to ensure the Sheriff receives the Live-Scan results from the Department of Justice (DOJ). The turnaround time for a Live-Scan is, on average, 5 to 30 days depending on various factors. The Sheriff notifies the TTC of the result of the applicant's Live-Scan. An applicant would fail if he/she had been convicted of a felony or any crime involving theft, embezzlement, moral turpitude, or any act constituting dishonesty or fraud. If an applicant failed the Live-Scan, the TTC would deny the issuance of a license. Whenever an applicant who previously cleared a Live-Scan is subsequently arrested or convicted of a crime, the DOJ notifies the Sheriff, who notifies the TTC.

Under Title 7, whenever a license applicant is denied a new license, or a renewal, or the TTC revokes a license, the holder is entitled to a hearing before the Business License Commission, which has the authority to uphold the request to revoke, or cancel a license, or deny an application based on testimony at the hearing.

In summary, the additional costs to the applicant range from \$45.00 to \$75.00 and may add up to 30 days to the licensing process.

Additional Costs and Time for the Treasurer and Tax Collector

Currently, 69 other business activities require a Live-Scan before the TTC can issue a business license. If your Board were to expand the Live-Scan requirement for additional business activities, both the TTC and the Sheriff could absorb the incremental workload within current resources. The TTC would need to update the application, related processes and the Business License System, all of which could be done within several weeks.

Should you have any questions, please contact me directly or your staff may contact Kathy Gloster at (213) 974-2077 or kgloster@ttc.lacounty.gov.

MJS:JK:KG:apl

c: Chief Executive Officer
Auditor-Controller
County Counsel
Executive Officer, Board of Supervisors
Business License Commission